

**CHAPTER NO. 536**

**SENATE BILL NO. 2117**

**By Kyle**

**Substituted for: House Bill No. 2044**

**By Maddox, Mike Turner**

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 6 and Title 56, relative to workers' compensation insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-5-309, is amended by adding the following as new, appropriately designated subsections:

( ) After notice and hearing in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, the commissioner may impose a civil penalty of up to ten thousand dollars (\$10,000) per occurrence upon a finding that a workers' compensation insurer, without any lawful basis, has assessed an employer premium:

(1) for individuals who are not employees; or


(2) on the basis of improper classification of employees.

( ) The commissioner shall have the authority to promulgate rules, including public necessity rules, to effectuate the provisions of this section. Such rules may provide the commissioner the authority to assess the charges of the administrative procedures division of the office of the secretary of state for any administrative hearing conducted under this section.

SECTION 2. For the purpose of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect September 1, 2006, the public welfare requiring it.

**PASSED: April 13, 2006**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 24<sup>th</sup> day of April 2006**

  
PHIL BREDESEN, GOVERNOR